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C O N F I D E N T I A L UNVIE VIENNA 000384

SIPDIS

DEPT FOR P, T, S/SANAC, S/SEMEP, ISN - BURK
ISN/MNSA, ISN/RA, IO/T

E.O. 12958: DECL: 08/11/2019

TAGS: [AORC](#) [PREL](#) [KNNP](#) [IAEA](#) [EG](#) [IS](#) [XF](#)

SUBJECT: IAEA/GC/MIDDLE EAST: ONGOING EFFORTS AT CONSENSUS
IN A SINGLE RESOLUTION

REF: A) STATE 79781 B) UNVIE 353 AND PREVIOUS

Classified By: CDA Geoffrey R. Pyatt for reasons 1.4 b and d

Summary

11. (C) Mission consultations with Israel, Egypt, France, the GC Presidency and others continue to reflect Arab League confidence that it can defeat a "no action motion" this year on its "Israeli Nuclear Threat" (INC) resolution. For example, the Arabs claim to have prompted consensus within the NAM in support of the INC resolution, a development confirmed by South African Governor Minty to both the U.S. and the GC President. Israeli Ambassador Michaeli continues to privately share the Arab assessment that a no action motion is likely to fail this year, while also continuing Israeli efforts to engage the Arabs and others to advocate a return to a consensus outcome, including on the Egyptian "Application of IAEA Safeguards in the Middle East" (MES) resolution on which Israel joined consensus until 2006. Mission will continue efforts pursuant to Ref A initial guidance to explore a possible return to consensus via a new single resolution. So long as the Arabs-especially Egypt-continue to pursue a position that their interests are better advanced via a confrontational approach, Mission recognizes the slim chance any new resolution has for garnering consensus support. All indications are that the process and outcome on the ME GC issue this year will be as contentious and collectively unsatisfactory as last year, if not more so. We hope, however, that any sincere efforts to find a path back to consensus will be recognized as such by the EU and any other potential fence-sitters should the MES, INC or no action motion come to a vote.

12. (C) GC President New Zealand Ambassador MacMillan advised Charge August 11 that she plans to intercede with Egyptian Ambassador Fawzi as soon as possible to press Egypt to play a leadership role. Macmillan is drafting her own elements for a single resolution to preempt the submission of an Egyptian MES text that would severely restrict Fawzi's margin for

maneuver. Mission informally shared our ideas on a single resolution with Macmillan, including Israeli proposals for a consensus resolution acknowledging differences. Macmillan also reported that Iran is still contemplating an agenda item on military strikes against nuclear facilities, which, if proposed, Charge noted, would engender a General Committee challenge. Meanwhile, Israeli Ambassador Michaeli has received a green light from capital to pursue his proposals for a new approach. He further suggested that a consensus resolution be based on both agreed elements of the 2008 MES text and the 2005 text, which was the last to command consensus. He also cautioned that Israel is likely to object to any reference to NPT Revcon documents. In a separate discussion August 11, Egyptian Charge Ali Sirry admitted that Cairo is still deliberating on the MES text, is in no hurry, and that the U.S. can influence its development in one direction or another. He continued to deny that Egypt would campaign against the Arab League resolution but looked to the U.S. to play a leadership role in influencing the Arab Group.

Following our July meeting (ref B), the Arab Group was encouraged by the change in U.S. rhetoric but had little expectation of a change in policy, he noted. Sirry suggested that a concrete U.S. initiative could surprise the Arab Group and change the dynamic. (Comment: Since the GC President is already working on a proposal, we suggest playing a supportive role for the time being. The only danger is that not all the elements the GC President may propose may be to our or Israel's liking. End comment.) End Summary.

Arabs "Smell Success" On Anti-Israeli Resolution

13. (C) In an August 7 meeting to review the GC/Middle East issue, Israeli Ambassador Michaeli told Charge that the Arab League "smells success" on its INC resolution this year, and Michaeli shares their assessment that they are likely to defeat a "no action motion" to keep the resolution from coming to a vote. As has been the case in the past, the EU is the key, either to a vote on "no action" or on the INC resolution itself. Michaeli noted there had not been a vote on the Israel-specific resolution in the Conference since 1991, so even bringing one to a vote would be a success for Arabs; winning the vote would be a "big win." Charge noted that Canada, which has led the no action motion effort in the past, will have a brand new Ambassador this year during the GC and seems ambivalent about pursuing a no action motion. Adding to the gathering gloom, Michaeli reiterated that UK Ambassador Smith had told him that the EU was "losing patience" with the Israeli issue at the GC. Charge also shared with Michaeli that the outgoing French DCM, who had been very active in formulating the French approach last year during the French EU Presidency, had told us that Paris is likely to take a low profile this year. France was still smarting from perceptions of lack of good faith in its negotiations with Egypt last year, so might choose to sit this one out. Charge noted that no matter how strong the current EU Presidency under Sweden, France sitting on its hands on this issue would not be conducive to finding a new consensus, or to favorable outcomes on votes on the no action motion and/or INC resolution.

Israel Searching for a New Formula for Consensus

14. (C) Michaeli said that Israel had made an approach in Cairo on the GC issue and was told that the "dialogue" with Israel would continue. Michaeli pointedly observed that the Egyptians did not use the word "negotiations" and he was skeptical of any continued positive engagement with Egypt. Charge underlined the imperative to keep trying, to which Michaeli agreed. Michaeli also said he had met with New Zealand Ambassador MacMillan, this year's GC President, and described to her his idea (ref b) for a new approach to a resolution that would "record differences" in a respectful manner while focusing on areas of agreement. He expressed

his confidence that if the Arabs truly wanted a return to consensus, Israel would work with them to achieve it. In any case, while there was a low probability any new approach would work, given the Arab stance, it was important to try, including for purposes of demonstrating to the EU and others that Israel is making the effort.

15. (C) Assuming Egypt will table its MES resolution very late in the summer, or even just before the GC (ref b), Michaeli said Israeli is preparing the necessary "tools," (i.e., possible Israeli amendments) for countering a non-consensus draft. He suggested that the amendments Israel has in mind would not be exactly the same as last year, endorsing Charge's suggestion that it might not be advisable to "fight last year's war" all over again. Michaeli did not, however, provide any specifics on possible Israeli amendments. He also reported that he had spoken to Romanian Ambassador Feruta on the heels of Feruta's successful shepherding of the contentious IAEA budget negotiations. Noting that it would be good if central European EU members would speak up to counter the likely wobbliness of Germany and Spain, Michaeli said he hopes Feruta will be more activist in EU discussions, in light of his heightened status following the budget success. Michaeli said he planned to approach the Polish Mission to make a similar appeal to be vocal on the ME issue, and would try to meet with Russian IAEA Governor Berdennikov as well.

16. (C) Charge reviewed Ref A guidance with Michaeli and stressed again our desire to help the two parties find a way back from the annual GC abyss. Not only would we like to avoid tainting the start of another new Board with the poisonous tone of last years' ME GC outcome, but we also have the 2010 NPT Review Conference ahead and should look to set the best possible context on this issue in advance. As to the way ahead, Charge noted that the U.S. would be working closely with the GC Presidency to enable the best possible proposal for a new approach. He again reviewed Michaeli's idea for a resolution that respects differences while agreeing to consensus on areas of agreement. Charge and Michaeli agreed to stay in close touch as consultations proceed. Following up on this meeting, Michaeli advised Charge August 11 that he had received authorization from capital to pursue this proposal for a new approach. He further suggested that a consensus resolution be based on both agreed elements of the 2008 MES text and the 2005 text, which was the last to command consensus, and cautioned that Israel is likely to object to any reference to the NPT Revcon documents.

GC President to Intercede with Egypt

17. (C) Charge advised GC President New Zealand Ambassador Macmillan August 11 of our instructions to pursue a consensus outcome premised on a single resolution and Israel's willingness to consider middle ground. Macmillan was encouraged by this and plans to engage Egyptian Ambassador Fawzi on a single resolution upon his return from Cairo the week of August 17. She intends to frame the discussion in terms of three years of Arab group failure on the Israel item compounded by another potential failure on an up-or-down vote on the INC (even if a no action motion is defeated.) She fully agreed that Egypt is the key to any combined resolution but observed correctly that it is essential to get to the Egyptians before they table any MES text, as thereafter Fawzi's margin for maneuver will be severely limited. She recalled that twice before in previous GCs Egyptian FM Abu Gheit had ordered his Vienna Ambassador to bring Egypt's text to a vote no matter what, as this was more an issue of regional leadership and posturing than of substance. Macmillan will appeal to Fawzi's sense of statesmanship in taking a leadership role on a new initiative and in setting a new tone as the NAM Chair. Rather than wait for the Egyptians, she plans to draft compromise elements for a single resolution herself and is contemplating mentioning

Israel along with other regional challenges. She accepted the point that the seminal 1995 Revcon resolution did not name Israel, but noted that was 14 years ago. Macmillan is not confident Egypt and the Arab Group will agree to a single resolution given their focus on the title, naming Israel, rather than the substance. She agreed that another major stumbling block will be the "chicken or egg" problem of the textual precedence of the peace process versus the NWFZ.

18. (C) Charge observed that if Egypt/the Arab Group were to rebuff Macmillan, this would demonstrate that they have no interest in compromise. Macmillan added that while the U.S. and Sweden have been helpful, other EU members still believe any "package" is dead and think in terms of negotiating the MES and INC on separate tracks, which she agreed would lead to another procedural showdown on the INC.

9.(C) Macmillan also reported that a third, Iranian-sponsored agenda item on military attacks against nuclear facilities is still in play, per her discussion with Iranian Ambassador Soltanieh two weeks before (protect). Soltanieh claimed that his statement to the June Board previewing such an item was delivered under instruction, and that Tehran was discussing E

what form an agenda item would take, i.e. whether or not to focus on the Israeli attack on Syria or in general terms on the role of the IAEA (i.e. early disclosure of information) and respect for territorial sovereignty. Charge noted that Soltanieh's new boss at AEOI Salehi may have less appetite for such theatrics, which would further detract from Iran's relationship with the Agency. However, Macmillan noted that such an Iranian proposal would be consistent with DG ElBaradei's increasingly confrontational stance on the role of the Agency (including what she called his "disgraceful" diatribe against Israel in the June Board). She also expected that even if Iran did not submit a request prior to the 30-day deadline for a "supplementary item", it may so at a later date, in which case inclusion of the agenda item would have to be agreed by the General Committee and a majority of the General Conference. Charge noted the high possibility of a procedural challenge in the General Committee were Iran to present a Syria/Israel resolution.

Egypt Looks for U.S. Leadership

110. (C) After seeing Macmillan on August 11, Charge shared our instructions to seek a consensus framework without crossing redlines on GC Middle East issues with Egyptian Charge Sirry, underlining our hope that Cairo will seek a more constructive approach. Charge further cautioned Sirry that while Middle East issues cannot be wished away, they should not overshadow all the other substantive business of the GC. A normally hard-line Sirry was receptive but skeptical and argued several times that any hope of compromise lay with U.S. engagement. He noted that much depends on where redlines are drawn and he did not see much of a common denominator or point of convergence for such a consensus framework. Sirry admitted that Cairo is still grappling with its MES text, whether to reintroduce the original 2008 Egyptian resolution or, less likely, the MES resolution as adopted. The MES resolution was very much "in the making" and the U.S. could influence what direction it takes. Egypt had not decided how to proceed and was not in a hurry to do so.

111. (C) Sirry insisted that Egypt would not campaign against the Arab Group resolution or seek its withdrawal, but that the U.S. could sway the Arabs. For the Arabs a win on a no-action motion would be a major success, even if the INC resolution is defeated, he opined (sharing Michaeli's assessment in effect.) After Charge's meeting in July with Arab Ambassadors (ref b), Sirry said that the Arab Group was hopeful of U.S. rhetoric on GC Middle East issues, as with the President's speeches in Prague and Cairo, but had low expectations for any concrete actions. He suggested a

preemptive surprise by the U.S. (i.e., a draft resolution) could unsettle the Arab Group dynamic and lay the groundwork for compromise. As for Israel, Sirry did not see any fundamental change in position based on the two states' bilateral discussions. His perception was that Israel likes to hang back and let its friends do the work. He cautioned that a repeat of last year's Israeli/EU tactics would be a serious danger. With respect to holding the other GC resolutions "hostage," Sirry rejected this premise, noting that Egypt had abstained on safeguards and security resolutions out of legitimate concerns including those related to the Middle East.

¶12. (C) Comment: Sirry's presentation made clear that the new U.S. approach had complicated the calculus and had provoked a debate in Cairo over how best to proceed - but gave little indication of the commitment to compromise that Israeli Ambassador Michaeli suggested would allow for a consensus outcome. As Charge depicted to GC President Macmillan, Egypt may see the GC as a "pre-season game" preparatory to the 2010

NPT Rev Con. We in Vienna remain unclear as to whether Cairo will use the GC to develop a constructive playbook for New York or as an exhibition of its capability to tie the nonproliferation regime in knots. Per our previous recommendation (ref b), direct U.S. engagement with Cairo could be instrumental, as Sirry also suggested.
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